

**GOVERNMENT OF BELIZE
MINISTRY OF EDUCATION, YOUTH,
SPORTS AND CULTURE:
EDUCATION QUALITY IMPROVEMENT PROGRAM**

Financial Report

Loan Contract No. 3186/OC-BL

*Financial Statements as at September 30, 2019 and
Independent Auditors' Report*

EDUCATION QUALITY IMPROVEMENT PROGRAM

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GOVERNMENT OF BELIZE
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL
AS OF SEPTEMBER 30, 2019 AND MARCH 31, 2019 (IN US DOLLARS)

INTRODUCTION

The Government of Belize ("GOB") and the Inter-American Development Bank ("IDB") signed Loan Contract No 3186/OC-BL on September 30, 2014. The purpose of the contract is to cooperate in the execution of the Education Quality Improvement Program (the "Program").

The parties agree that the execution of the Program and the utilization of the resources of the Bank's financing will be carried out by the Borrower through the Ministry of Education, Youth, Sports and Culture (MOEYSC) hereinafter referred to as the "Executing Agency" and coordinated through the Program Executing Unit (PEU).

The Executing Agency will be responsible for the overall coordination and execution of the Program through:

1. The coordination of components, consultancies and key stakeholders;
2. The monitoring of progress and results;
3. Procurement and contracting of goods and services;
4. Processing of eligible payments;
5. Financial management;
6. IDB supervision-related activities;
7. Reporting to the IDB and other Government entities.

The Program's overarching objective is to support the Government of Belize in improving the quality of primary education, and the governance of the Belize education system. The specific objectives of the Program are as follow:

- i) Train approximately 80% of TEI pre-service instructors who teach methods courses in Mathematics, Science, and English Language Arts and 50% of in-service teachers at the primary level;
- ii) Train approximately 50% of primary school principals in instructional leadership and administration;
- iii) Develop and implement an Education Management Information System (EMIS) for the primary and secondary levels; and
- iv) Improve the profile of teacher candidates.

The Program's objectives will be achieved through investments in three components:

Component I: Improving the Quality of Teachers (US\$4.4 million)

The component aims to improve the quality of primary school teachers by raising the profile of teacher candidates, improving the quality of initial teacher education, and improving the skills of in-service teachers. To achieve this objective, the component is structured around three sub-components:

1. **Sub-component 1.1 – System for attracting and accepting higher quality entrants into teacher training.** The planned activities are: (i) Marketing campaign to attract higher profile candidates for teacher training; and (ii) Assessment of teacher training candidates to identify those who need remedial assistance during their teacher training.
2. **Sub-component 1.2 – Capacity-building of the TEIs in their training of primary education teachers.** The planned activities are: (i) Capacity building of TEI instructors and internship supervisors to improve teacher training in pedagogical practices in Math, Science, and English, focusing on how to link the teaching of content with concrete content specific pedagogy; and (ii) Training, mentoring and technical assistance to TEI department heads and administrators.

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INTRODUCTION (CONTINUED)

3. ***Sub-component 1.3 – On-site and distance practical professional development.*** The planned activities are: (i) Development of school level curriculum and lesson plans for Math, Science and English, based on the national curriculum. In Math, the Visible and Tangible TLMI model will be used, and similar student centered teaching approaches will be used in Science and English; (ii) Development of formative assessment instruments to enable the continuous assessment of student competencies. The formative assessment instruments will be aligned with the learning outcomes of the national primary curriculum and the school level curriculum; and (iii) Implementation of the lesson plans and formative assessments in the classrooms, including external training, tutoring and mentoring for principals and teachers currently in the classrooms.

Component II: Governance of the Education System (US\$3.6 million).

The component aims to create a quality assurance system to improve education policy planning and accountability mechanisms at various levels of the education system, including schools, the TEIs, and the MOEYS. To achieve this objective, the component is structured around two sub-components:

1. ***Sub-component 2.1 – Strengthening of the Quality Assurance Role of TEIs.*** The planned activities are: (i) Creation of a feedback system to strengthen the capacity of TEIs to monitor the quality of their services and outputs; (ii) Training, mentoring, and technical assistance to principals, department heads, and administrators of the TEIs on how to monitor and assure the quality of their services; and (iii) Development of an entry into profession exam for new teacher candidates.
2. ***Sub-component 2.2 – School Quality Assurance System.*** The planned activities are: (i) Training and technical assistance to principals to promote their leadership as the vehicle for improving school and student performance, including training on data collection and reporting processes, as well as the use of student data to identify teacher professional development needs and develop school improvement plans; (ii) Creation of an integrated EMIS with information on student enrollment and results, student and teacher attendance, school infrastructure, use of curricula and textbooks, teacher qualifications, etc., to enable planning and quality assurance at various levels of the system (schools, district education offices, and central level); (iii) Training and technical assistance to the MoEYSC and schools in the use of the EMIS for the purposes of quality assurance; and (iv) Training and technical assistance to increase parent participation in school management.

Component III: Evaluation. Evaluation (US\$0.7 million).

The component will finance the evaluation of the operation through two sub-components:

1. ***Sub-component 3.1. – Evaluation of the pre-service teacher training.*** The analysis will compare the results of the entry into teacher training exam with the entry into the profession exam. In addition, the entry mechanism for teacher training will be evaluated by applying non-cognitive and cognitive tests for all applicants to the teacher training.
2. ***Sub-component 3.2. – Randomized control trial of the on-site practical professional development in primary schools.*** The experiment will randomize all primary schools into a treatment and control group in order to learn whether the teacher training component has a causal effect on student learning.

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INTRODUCTION (CONTINUED)

The estimated total cost of the Program is the equivalent of US\$10,100,000 in accordance with the following investment categories and sources of financing:

Cost and Financing
 (US Dollars)

Cost Table (US\$, 000)				
Component/Subcomponent	IDB	Local Counterpart	Total	%
Component I: Improving the Quality of Teachers	<u>4,391</u>		<u>4,391</u>	<u>44%</u>
1.1 System for attracting and accepting higher Quality Teacher Training Candidates.	1,501		1,501	15%
1.2 Capacity building of the TEIs in the training of primary education teachers.	595		595	6%
1.3 On-site Practical Professional Development.	2,295		2,295	23%
Component II: Governance of the Education System	<u>3,578</u>		<u>3,578</u>	<u>35%</u>
2.1 Strengthening of Quality Assurance Role of TEIs.	1,156		1,156	11%
2.2 School Quality Assurance System.	2,422		2,422	24%
Component III: Evaluation	<u>748</u>		<u>748</u>	<u>7%</u>
3.1 Data Collection, Evaluation of the pre-service teacher training.	348		348	3%
3.2 Data Collection, Randomized control trial of the on-site practical professional development in primary schools.	400		400	4%
Program Management	<u>867</u>	<u>100</u>	<u>967</u>	<u>10%</u>
4.1 Executing Unit/Program Execution Support	682	100	782	8%
4.2 Midterm and Final Review, including ex-post economic analysis	60		60	1%
4.3 Audit	125		125	1%
Contingency	<u>416</u>		<u>416</u>	<u>4%</u>
Total	10,000	100	10,100	100%

The Program is estimated to meet its objectives within five (5) years of the signing of the loan contract, that is, by September 2019. The Program officially commenced operations on October 1, 2014.

The financial statements and notes of the Program for the six months ended September 30, 2019 follow on pages 9 to 16.

**GOVERNMENT OF BELIZE
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL
AS OF SEPTEMBER 30, 2019 AND MARCH 31, 2019 (IN US DOLLARS)**

OBJECTIVE OF AUDIT

The objective of our audit is to provide IDB with the assurance that IDB resources are being managed in accordance with the terms of Loan Contract No. 3186/OC-BL, in an environment in which there are adequate management, administrative and financial controls.

Our audit was conducted in accordance with the requirements of Project Financial Reports and Audit Guidelines and in accordance with International Standards on Auditing. Accordingly, our auditing procedures included tests of accounting records and controls along with other procedures considered necessary in the circumstances.

The specific objectives of our audit were:

1. To express an opinion as to whether the Statement of Cash Received and Disbursements Made and Statement of Cumulative Investments present fairly, in all material respects, the cash received and disbursements made for the six months ended September 30, 2019, in accordance with the requirements established in the contractual clause 8.01 of the Loan Contract No. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB;
2. To obtain a sufficient understanding of the Education Quality Improvement Program's internal controls and risk assessment procedures;
3. To report on material weaknesses in internal controls and inefficiencies encountered; and
4. To determine whether the Education Quality Improvement Program's complied, in all material respects, with the terms of the Loan agreement and any other applicable laws and regulations.

SCOPE OF AUDIT

The scope of our audit included:

1. An evaluation of the internal control system of the Program;
2. A review of the financial transactions and accounting records for the purpose of providing an opinion as to whether the financial information of the Program is reasonably presented and in accordance with the requirements established in the contractual clause 8.01 of the Loan Contract No. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB;
3. An evaluation of compliance with the financial, accounting and operational contractual clauses and regulations;
4. A review of the supporting documentation and controls related to the activities and investments financed, procurement of goods and contracting of works and consulting services; and
5. A review of procedures used to record, control and maintain goods acquired with Program funds.

**INDEPENDENT AUDITOR'S REPORT
STATEMENT OF CASH FLOWS AND
STATEMENT OF CUMULATIVE INVESTMENTS
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL**

**To: Government of Belize, Ministry of Education,
Youth, Sports and Culture**

Program: Education Quality Improvement Program

Audit Opinion

We have audited the accompanying financial statements of Education Quality Improvement Program carried out by the Government of Belize, Ministry of Education, Youth, Sports and Culture and financed with resources of the Loan Contract NO. 3186/OC-BL of the Inter-American Development Bank (IDB) and with contributions of the Government of Belize, which Statement of Cumulative Investments as of September 30, 2019, the Statement of Cash Received and Disbursements Made, and the notes to the financial statements prepared for the six months ended on this date as well as the notes to the financial statements, which include a summary of the relevant accounting policies.

In our opinion, the accompanying Financial Statements of the Education Quality Improvement Program for the six months ended on September 30, 2019 have been prepared in all material respects, in accordance with the financial reporting requirements of the contractual clause, Article 8.01, of the Loan Contract NO. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for projects financed by IDB.

Basis for Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Government of Belize, Ministry of Education, Youth, Sports and Culture and the Education Quality Improvement Program in accordance with the ethical requirements that are relevant to our audit of the financial statements in Belize and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraphs and Basis of Accounting, and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2 to the financial statement, which describes the basis of accounting. The financial statements have been prepared to assist the Education Quality Improvement Program in accordance with the requirements of the Loan Contract NO. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB. As a result, the financial statements may not be suitable for another purpose.

hlb.bz

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Our report is intended only for the Executing Agency / Coordinator of the Project and the IDB, and should not be distributed to other parties other than the Bank or the Executing Agency / Coordinator of the Project. However, this report may become a public document, in which case its distribution would not be limited. Our opinion has not been modified in relation to this issue.

Management's responsibility

Management is responsible for the preparation of these financial statements in accordance with the requirements established in the contractual clause, Article 8.01, of the Loan Contract NO. 3186/OC-BL and the Audited Financial Reports and External Audit Management Handbook for Projects Financed by the IDB. In addition, management is responsible for establishing internal controls as they determine necessary to enable the preparation of statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our objective is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



Chartered Accountants
Belize City, Belize
January 09, 2020

LOAN CONTRACT NO. 3186/OC-BL
STATEMENTS OF CASH RECEIVED AND PAYMENTS
AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

exhibitor

David Dorn

**Chief Executive Officer,
Ministry of Education Youth, Sports and Culture**

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GOVERNMENT OF BELIZE, MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL
STATEMENTS OF CUMULATIVE INVESTMENTS
AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

INVESTMENT CATEGORY	CUMULATIVE AT THE END OF MARCH 31, 2019			MOVEMENTS DURING THE PERIOD ENDED SEPTEMBER 30, 2019			CUMULATIVE AT THE END OF SEPTEMBER 30, 2019		
	IDB	GOB	Total	IDB	GOB	Total	IDB	GOB	Total
Component I: Improving the Quality of Teachers									
1.1 System for attracting and accepting higher Quality Teacher Training Candidates	1,318,547	-	1,318,547	12,500	-	12,500	1,331,047	-	1,331,048
1.2 Capacity building of the TEIs in the training of primary education teachers	801,676	-	801,676	36,500	-	36,500	838,176	-	838,176
1.3 On-site Practical Professional Development	2,296,000	-	2,296,000	-	-	-	2,296,000	-	2,296,000
TOTAL	4,416,223	-	4,416,223	49,000	-	49,000	4,465,223	-	4,465,223
Component II: Governance of the Education System									
2.1 Strengthening of Quality Assurance Role of TEIs	750,057	-	750,057	294,436	-	294,436	1,044,493	-	1,044,493
2.2 School Quality Assurance System	3,622,268	-	3,622,268	128,652	-	128,652	3,750,920	-	3,750,920
TOTAL	4,372,325	-	4,372,325	423,088	-	423,088	4,795,413	-	4,795,413
Component III: Evaluation									
3.1 Data Collection, Evaluation of the pre-service teacher training	155,265	-	155,265	-	-	-	155,265	-	155,265
3.2 Data Collection, Randomized control trial of the on-site practical professional development in primary schools	-	-	-	-	-	-	-	-	-
TOTAL	155,265	-	155,265	-	-	-	155,265	-	155,265
Program Management									
4.1 Executing Unit/Program Execution Support	314,761	146,046	460,807	14,270	2,741	17,011	329,031	148,787	477,818
4.2 Midterm and Final Review, including ex-post economic analysis	66,500	-	66,500	-	-	-	66,500	-	66,500
4.3 Audit	58,824	-	58,824	16,258	-	16,259	75,082	-	75,082
TOTAL	440,085	146,046	586,131	30,528	2,741	33,270	470,613	148,787	619,400
CONTINGENCIES	-	-	-	-	-	-	-	-	-
FINANCE CHARGES	-	-	-	-	-	-	-	-	-
TOTAL INVESTMENT	9,383,898	146,046	9,529,944	502,616	2,741	505,357	9,886,514	148,787	10,035,301

Alfonso Mendez

EQIP Senior Program Coordinator

Diloneh Deming

**Chief Executive Officer,
Ministry of Education Youth, Sports and Culture**

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

GOVERNMENT OF BELIZE
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL
NOTES TO FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

1. PROGRAM STATUS

The Government of Belize (GoB) through the Ministry of Education, Youth, Sports, and Culture (MoEYSC), received a US\$10Million loan from the Inter-American Development Bank (IDB), with the GoB providing counterpart funding in the amount of US\$100,000 as in-kind contribution for the estimated 60% of total work time for the Program Coordinator and the Program Assistant. The Loan Agreement (3186/OC-BL) was signed on September 30, 2014.

The Education Quality Improvement Program (EQIP) was approved on June 12, 2014 and gained eligibility on November 7, 2014. MoEYSC is the Executing Agency (EA) of the Program. On June 2017, the Project Executing Unit underwent to a transition of a new Senior Program Coordinator and is now being managed by Ms. Amilin Mendez. The Support staff comprises of: (i) Finance Specialist– Mrs. Hilma Chan-Link, (ii) Education Specialist–Mr. Ernest Raymond, (iii) Procurement Specialist– Mrs. Melanie Gladden and (iv) Administrative Assistant– Mrs. Yvonne Eck-Wade.

The PEU's office was relocated in October 2017 to 1900 Constitution Drive, Diamond Building, third floor, City of Belmopan, Cayo District.

As of September 30, 2019, when the 60-months disbursement period expired, the total approved amount of US\$10,000,000 has been disbursed and the balance of outstanding advance of funds amounted to US\$ 113,486.00.

During the reporting period April 1, 2019 to September 30, 2019, the Program had entered into one (1) new contract, with Abdul Latif Jameel World Education Lab, Massachusetts Institute of Technology (MIT).

Additionally one (1) procurement process has not yet been completed as of September 30, 2019 for the Consulting Services for the Conceptual Design of Science, Technology, Engineering, Art and Mathematics (STEAM) Laboratory School- Architectural.

The table below highlights all the contracts issued up to September 30, 2019.

CONTRACTOR	VALUE OF CONTRACT (USD)	PURPOSE OF CONTRACT
Community Systems Foundation (Contract price was amended from USD1,804,206 to USD2,048,446)	\$2,048,446.00	Creation of an Integrated Education Management Information System(EMIS)
Caribbean Examination Council (CXC) (Contract price was amended from USD654,303.59 to USD677,592.60)	\$677,592.60	Development and Implementation of a Teacher Profession Entry Exam
Dr. Michael Rosberg	\$25,896.00 per annum	Program Officer Resigned with effect from 26/3/2015
Dr. Roy Young	\$59,000.00	Survey Supervisor for Data Collection
Mount Saint Vincent University	\$3,441,863.90	Implementation of an Interactive Visible and Tangible Teaching Model for Science ,English Language Arts, and Math
Simon Ferguson	\$212.50 monthly	Storage facility rental for housing surveys, etc.
Alexis Bryant	\$2,500.00	Design and Implementation of a Document Management System

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

1. PROGRAM STATUS (CONTINUED)

CONTRACTOR	VALUE OF CONTRACT (USD)	PURPOSE OF CONTRACT
IT Care	\$8,167.47	Office Equipment
Grant Thornton, LLP	\$45,283.87	External Audit Services
Melanie Gladden	\$22,500.00	Procurement Specialist
The Angelus Press	\$6,337.25	Office Furniture
Carlos Gargiulo	\$85,000.00	Long Term International Consultant
Hilma Chan Link	\$22,500.00 per annum	Finance Specialist
Greg Nunez	\$24,000.00 per annum	Program Officer
Guerra Engineering Ltd.	\$1,235.25	1-AC unit 24K
University Research and Evaluation (Dr. Roy Young)	\$369,408.50	Data Enumerator Consultancy
Herald Media Partners Ltd.	\$633,360.00	Marketing Campaign for attracting higher quality teacher training candidates and for promoting the EQIP Program components and sub-components
Mount Saint Vincent University	\$926,655.00	Implementation of a Leadership training Program for a Primary School Administration, General and Local Manager
Centro International Detudes Pedagogique	\$366,900.00	Technical Assistance for the creation of a Feedback System for Teacher Education Institutes
Heuristica Educativa S.C. and Centro De Estudios Educativos,	\$310,000.00	Improving instructional quality and Teacher's effectiveness through a Video-Based evaluation of classroom practices
University Research and Evaluation- Old contract was cancelled and new contract was reissued	\$655,760.00	Application of Academic Achievement tests and survey instruments in Primary Schools and Teacher Education Institutes throughout Belize
Dr. Saad Chahine	\$48,274.00	Senior consultant for the Development and validation of learning assessments in Mathematics and Science
Dr. Christine Doe	\$45,856.00	Senior consultant for the Development and validation of learning assessments in English Language Arts
Susan Greene (Contract was amended from \$39,000 to \$41,500)	\$41,500.00	Technical Assistance in conducting a Mid-Term review of the Education Quality Improvement Program
Grant Thornton, LLP	\$38,342.31	External Audit Services
Hilma Chan-Link- Contract Renewal	\$33,164.51	Finance Specialist
Mr. Gustavo Arcia	\$25,000.00	Ex-Post Economic Analysis

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1. PROGRAM STATUS (CONTINUED)

CONTRACTOR	VALUE OF CONTRACT (USD)	PURPOSE OF CONTRACT
Dr. Cynthia Thompson	\$12,500.00	Technical assistance for the alignment of Teacher Education Programs to standards to practice for Teaching and Teacher Education
Hueristica Educativa S.C. and Centro de Estudios Educativos	\$31,000.00	Training to MoEYSC for the Improving instructional quality and Teacher's effectiveness through a video-based evaluation of classroom practice
Caribbean Motors	\$24,500.00	Supply of 1 2018 Great Wall Wingle 6 4x4 Dignity Model to the Teacher Education Department.
Geotech Belize	\$3,093.75	Schmidt Hammer Testing
Mr. Christopher McGann	\$3,200.00	PEU Sustainability workshop facilitator
Hilma Chan-Link (Contract value USD46,000; share funding as follows: IDB USD7,187.52 from Jan-June 2019; CDB USD38,812.48 from Jan 2019-Dec. 2020)	\$7,187.52	Finance Specialist
Abdul Latif Jameel World Education Lab, Massachusetts Institute of Technology. BL-L1018 will finance US\$81,500 and the balance of US\$68,500 will be covered Grant BL-T1100.	150,000.00	Consulting Services for the Conceptual Design of Science, Technology, Engineering, Art and Mathematics (STEAM) Laboratory School

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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in United States dollars (USD) under the historical cost convention and conformity with International Public Sector Accounting Standard (IPSAS), "Financial Reporting under the Cash Basis of Accounting", issued by the Public Sector Committee of the International Federation of Accountants. The approved budget is developed on the same accounting basis (cash basis), same classification basis, and for the same period as for the financial statements. The official exchange rate for reporting purposes is fixed at BZ\$2 = US\$1.

The Program's accounting and financial reporting system aims to enable users to assess the accountability of the funds available for its activities. In order to satisfy this objective, the following accounting policies have been adopted.

(a) The "cash basis" which is a comprehensive basis of accounting other than generally accepted accounting principles used in preparation of the financial statements. Cash received from the IDB is recognized when effectively deposited in the Program's bank account. Disbursements are recognized when they are paid.

(b) All costs related to the Program's activities are classified, where appropriate, according to the work plan budget for the period.

(c) No depreciation is charged on fixed assets acquired from Program's funds.

(d) The Program's Statement of Cash Receipts and Payments reflects receipts and disbursements relating to IDB Loan Contract No. 3186/OC-BL

(e) The Program's funds are deposited in US dollars into account #311087, Education Quality Improvement Program of the Central Bank of Belize upon IDB's approval.

3. CASH AND BANK BALANCES

The available cash balance as of September 30, 2019, as held in the Program's bank accounts is:

	<u>September 30,</u> <u>2019</u>	<u>March 31,</u> <u>2019</u>
Education Quality Improvement Program		
Central Bank of Belize Account No. 311087		
Statement balance at September 30, 2019	\$113,486	\$300,000
Total cash and bank balance	<u>\$113,486</u>	<u>\$300,000</u>

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4. ADVANCES PENDING JUSTIFICATION

As at September 30, 2019, GOB have US\$113,486 of which has not been disbursed. Disbursements should occur between the months October and November 2019.

5. ADVANCES AND JUSTIFICATION

As of September 30, 2019, the Advance fund was at US\$122,827.

Opening Balance of Advances	US\$300,000
Ineligible Expense transferred From EQUIP's to MoEYSC Cost center	US\$1,163
Advances Recorded and Justified	(US\$323,185)
Advances Received	US\$122,827
Amount not justified due to funds unavailable in category 2.02 to complete the justification	US\$12,681
Closing Balance of Advances	US\$113,486

6. LOCAL COUNTERPART FUNDS

	Year Ended March 31, 2019	Year Ended September 30, 2019	Cumulative as at September 30, 2019
Advance Fund Float/ Replenishments	\$ -	\$ -	\$ -
GOB contribution	146,046	2,741	148,787
	<u>\$146,046</u>	<u>\$2,741</u>	<u>\$148,787</u>

The Government of Belize has committed to contributing a sum of US\$100,000. As of March 31, 2019, the government has contributed a sum of \$148,787 which equates to 148% of the total committed.

7. PROCUREMENT OF GOODS AND SERVICES

Status of Processes (to date)	# Processes/ Contracts	Amount (US\$)	%
Not started	1	10,707	0.00%
Underway	1	50,888	0.51%
Awarded (includes completed)	36	9,938,405	99.38%
Total	38	10,000,000	100%

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 EDUCATION QUALITY IMPROVEMENT PROGRAM
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 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

8. RECONCILIATION OF THE STATEMENT OF CASH RECEIVED AND
 DISBURSEMENTS WITH THE STATEMENT OF CUMULATIVE INVESTMENTS

	Cumulative as at 31-Mar-19	Year Ended 30-Sep-19	Cumulative as at 30-Sep-19
Disbursements made by the PEU as per statement of Statement of Cumulative Investments	\$ 937,661	\$171,679	\$ 1,109,340
Direct Disbursements by IADB, including capitalization of finance charges	8,446,237	330,937	8,777,174
Cumulative Investments	\$9,383,898	\$502,616	\$9,886,514
Total Cash Received and Direct Payments via IADB	\$9,546,237	\$453,763	\$10,000,000
Less: Cumulative Disbursements for the Period	(9,383,898)	(502,616)	(9,886,514)
Available Cash Balance	\$ 162,339	\$(48,853)	\$ 113,486

GOVERNMENT OF BELIZE
 MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
 EDUCATION QUALITY IMPROVEMENT PROGRAM
 LOAN CONTRACT NO. 3186/OC-BL
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

9. RECONCILIATION BY CATEGORY OF INVESTMENT OF THE PROGRAM'S RECORDS WITH THE IDB'S RECORDS

CATEGORY	Cumulative Balance as per:		Variance	Explanation for Variances
	Program's Records (Statement of Cumulative Investments)	IDB's Records (LMS 1 Executive Financial Summary)		
Component I: Improving the Quality of Teachers				
1.1 System for attracting and accepting higher Quality Teacher Training Candidates	\$ 1,331,047	\$ 1,331,047	-	
1.2 Capacity building of the TEIs in the training of primary education teachers	838,176	838,176	-	
1.3 On-site Practical Professional Development	2,296,000	2,296,000	-	
TOTAL	4,465,223	4,465,223	-	
Component II: Governance of the Education System				
2.1 Strengthening of Quality Assurance Role of TEIs	1,044,493	1,044,493	-	
2.2 School Quality Assurance System	3,750,920	3,750,920	-	
TOTAL	4,795,413	4,795,413	-	
Component III: Evaluation				
3.1 Data Collection, Evaluation of the pre-service teacher training	155,265	155,265	-	
3.2 Data Collection, Randomized control trial of the on-site practical professional development in primary schools	-	-	-	
TOTAL	155,265	155,265	-	
Program Management				
4.1 Executing Unit/Program Execution Support	329,031	329,031	-	
4.2 Midterm and Final Review, including ex-post economic analysis	66,500	66,500	-	
4.3 Audit	75,082	75,082	-	
TOTAL	470,613	470,613	-	
Total Disbursements	-	-	-	
Advance Fund Balance as at September 30, 2019:	113,486	113,486	-	
Total at December 30, 2019	\$10,000,000	\$10,000,000	\$ -	

GOVERNMENT OF BELIZE
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

10. SUBSEQUENT EVENTS

The PEU submitted final justification of funds on the first week of December 2019 in the amount of US\$113,486. These comprised of the following payments:

Suppliers	US\$
Massachusetts Institute of Technology	45,000.00
WE Architects	50,887.51
HLB Belize, LLP	6,459.56
PEU Administrative Expenses	11,138.54
TOTAL	US\$113,486.00

As of December 2019 the balance of Advance of funds are utilized and the balance is \$0.

11. AUTHORIZATION DATE

The financial statements were authorized on January 09, 2020 by a Representative from MoEYSC and the EQIP Program Director.



**INDEPENDENT AUDITOR'S REPORT
STATEMENT OF CASH FLOWS AND
STATEMENT OF CUMULATIVE INVESTMENTS
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL**

**To: Government of Belize, Ministry of Education,
Youth, Sports and Culture**

Program: Education Quality Improvement Program

We have audited the Cash Received and Disbursements for the six months ended September 30, 2019, the Statement of Cumulative Investments and the Statement of Budget versus actual as of and for the six months ended September 30, 2019, for the Education Quality Improvement Program, entered into by the Government of Belize and the Inter-American Development Bank, executed by the Ministry of Education, Youth, Sports and Culture and have issued our report thereon dated January 09, 2020.

This report complements our opinion on the referenced financial statements.

The Management of the Education Quality Improvement Program is responsible for establishing and maintaining a system of internal control sufficient to mitigate the risks of financial information misstatements and safeguard the assets of the project, including construction works and other procured goods. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of system of internal control policies and procedures. The objectives of a system of internal control are to provide management with reasonable, but not absolute, assurance that assets are protected against loss from unauthorized use or disposition; transactions are executed in accordance with management's authorization and in accordance with the terms of the contract, and transactions are recorded properly to permit the preparation of fair and true financial statements. Because of inherent limitations in any system of internal control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the Program's financial statements for the period ended September 30, 2019, we obtained an understanding of the system of internal controls.

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With respect to the system of internal controls, we obtained an understanding of the design of the relevant policies and procedures and whether they have been placed in operation and we assessed control risk in order to determine our auditing procedures for the purpose of expressing an opinion on the Program's financial statements and not to provide an opinion on the system of internal controls. Accordingly, we do not express such an opinion.

We noted no matter involving the system of internal control and its operation that we consider to be reportable condition under International Standards of Auditing. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the system of internal control that, in our judgment, could adversely affect the ability of the Education Quality Improvement Program to record, process, summarize, and report financial data consistent with assertions of management in the Statement of Cash Receipts and Disbursements, the Statement of Cumulative Investments.

A material weakness is a reportable condition in which the design or operation of one or more of the specific elements of the system of internal control does not reduce to a relatively low level the risk that significant errors or irregularities in amounts that would be material in relation to the program's financial statements may occur and not be detected in a timely period by employees in the normal course of performing their assigned functions.

HLB Belize, LLP

Chartered Accountants
Belize City, Belize
January 09, 2020

GOVERNMENT OF BELIZE
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL
REPORT ON THE SYSTEM OF INTERNAL CONTROLS
AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

Report on Internal Controls	
Control Objective	In Compliance/ Not in Compliance
Purchase orders are properly prepared, authorized and filed. Also, PO's issued relate to budgeted activities.	In Compliance.
The administrative assistant verifies that items on the PO's are the items invoiced and received.	In Compliance.
Disbursement requests were properly authorized and submitted; funds received were correctly recorded in the approved chart of accounts.	In Compliance.
Project assets acquired exist, are in good working condition, and there are controls in place to properly track their transfer from one individual to another.	In Compliance.
Perform timely reconciliation of bank accounts.	In Compliance.



**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE WITH FINANCIAL AND ACCOUNTING CONTRACTUAL CLAUSES
AND THE PROGRAM'S OPERATING REGULATIONS
GOVERNMENT OF BELIZE, MINISTRY OF EDUCATION,
YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL**

**To: Government of Belize, Ministry of Education,
Youth, Sports and Culture
Program: Education Quality Improvement Program**

We have audited the Statement of Cash Received and Disbursements for the six months ended March 31, 2019 and Statement of Cumulative Investments as of and for the six months ended September 30, 2019 for the Education Quality Improvement Program, entered into by the Government of Belize and the Inter-American Development Bank, executed by the Ministry of Education, Youth, Sports and Culture and have issued our report thereon dated January 09, 2020.

In relation to our audit, we determined compliance with most financial and accounting contractual clauses and articles within the Special Conditions and General Conditions of Loan Contract No. 3186/OC-BL, for the year ended September 30, 2019. We have examined the Special Conditions described in Part One, Chapters 1 to 7, the General Conditions described in Part Two, Chapter 1 to 9.

We conducted our audit in accordance with International Standards on Auditing and the requirements of the Inter-American Development Bank. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Program has complied with the pertinent loan contractual clauses, applicable laws and regulations and the provisions contained in the Program's Operating Regulations. The audit also includes examining, on a test basis, the appropriate evidence. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, we there were no instance of noncompliance that occurred on the part of the Executing Agency with respect to the financial and accounting contractual clauses of Loan Contract No. 3186/OC-BL and the Program's Operating Regulations.

HLB Belize, LLP

**Chartered Accountants
Belize City, Belize
January 09, 2020**

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GOVERNMENT OF BELIZE
MINISTRY OF EDUCATION, YOUTH, SPORTS AND CULTURE
EDUCATION QUALITY IMPROVEMENT PROGRAM
LOAN CONTRACT NO. 3186/OC-BL
REPORT ON THE CONTRACTUAL CLAUSES
AS OF SEPTEMBER 30, 2019 (IN US DOLLARS)

Report on Contractual Clauses

Section	Clause	Findings
ARTICLE 8.01. Financial Information and Internal Control Systems.	(a) The Borrower or the Executing Agency, or the Contracting Agency, as the case may be, shall maintain: (i) a financial information system acceptable to the Bank that enables accounting, budgetary and financial record-keeping, as well as the issuance of financial statements and other reports related to the resources of the Loan and other financial sources, as the case may be; and (ii) an internal control structure that enables effective Project management; provides reliability regarding the financial information and the physical, magnetic and electronic records and files; and enables the fulfillment of the provisions of this Contract.	In Compliance.



Ms. Amilin Mendez
Program Coordinator
Education Quality Improvement Program
Constitution Drive
Belmopan, Belize

January 09, 2020

Dear Ms. Mendez

We have completed our audit of the Education Quality Improvement Program (EQIP) for the year ended September 30, 2019.

During the course of our audit, we examined the principal controls that EQIP has established to enable it to ensure, as far as possible, the accuracy and reliability of its records and safeguard of its assets. Our examination did not result in any findings and recommendations.

Kindly note, however, that the examination we carried out cannot be relied upon to disclose every weakness and for this reason the matters dealt with in this letter are not necessarily the only shortcomings which may exist in the system. Any projection of such information to the future is subject to the risk that, because of change, the description may no longer portray what is in existence. The potential effectiveness of specific controls at EQIP is subject to inherent limitations and, accordingly, errors or fraud may occur and not be detected. Furthermore, the projection of any conclusions, based on our findings, to future periods is subject to the risk that (1) changes made to the system or controls, (2) changes in processing requirements, or (3) changes required because of the passage of time may alter the validity of such conclusions.

We must commend the Program for its positive efforts to abide by the guidelines stipulated in the Government of Belize and Inter- American Development Bank Loan Contract No. 3186/OC-BL. We would also like to express our appreciation to the members of your staff who assisted us in completing our procedures. We greatly appreciate the opportunity to serve as your external independent auditors.

This report is intended solely for use by the Management of the Education Quality Improvement Program and the Representatives of the Inter-American Development Bank.

Please feel free to contact us whenever you feel we might be of assistance to you.

Sincerely
HLB Belize

A handwritten signature in blue ink, appearing to read 'Giacomo Sanchez', written over the printed name.

Giacomo Sanchez
Client Service Partner

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